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CYPRUS: Military Activity

Greek, Turkish, and Cypriot military activity continues to be marked by cautious defensive measures. [redacted]

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The Cypriot National Guard has no current plans for general mobilization and remains in a state of readiness, according to the US defense attache. Yesterday the Greek Cypriots closed the only border crossing in Nicosia to all but diplomatic traffic. [redacted]

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Meanwhile, the Greek Navy is conducting an exercise in the Aegean and a mobilization exercise at home involving a limited number of reservists. Both were previously scheduled. [redacted]

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Comment: The alert postures of the military forces in the area do not appear to have changed over the last few days. The military actions taken so far are consistent with precautionary measures that would be expected for the Aegean. [redacted]

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The Cypriots apparently were irritated by the numbers of foreign journalists crossing the border into northern Cyprus and closed the crossing point to register their annoyance. [redacted]

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SUDAN: Security Concerns

Increased dissident activity in southern Sudan may prompt President Nimeiri to seek additional military assistance during his current visit to Washington. []

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Comment: The armed forces are relying heavily on airpower to offset occasional dissident tactical advantages in firepower and mobility. The effectiveness of air support may be reduced, however, by mechanical breakdowns, maintenance difficulties, and the dissidents' reported use of antiaircraft weapons. In addition, transportation problems will continue to hamper the rapid movement of troops and equipment. []

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Sudanese forces probably can counter isolated dissident attacks such as the recent one against Malwal. A sustained large-scale dissident offensive, however, would be difficult to contain without outside assistance. []

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The recent increase in rebel activity may prompt Nimeiri to ask the US for additional equipment, including F-5E fighters, helicopters, and armored cars. Vice President Tayyib—reacting to the Ethiopian airstrike north of Tawkar last Sunday—has indicated to US officials in Khartoum that Sudan also may ask Washington to send US fighters and AWACS aircraft to Sudan and that it may seek assistance from the US Central Command. []

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USSR-PAKISTAN: Economic Talks Pending

Moscow continues to cultivate relations with President Zia's government, despite its evident sympathy for Zia's domestic opponents. [REDACTED]

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The Soviets continue to give sympathetic media coverage to Zia's domestic opponents, but such coverage has become less frequent since early October. [REDACTED]

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Comment: Pakistan is the ninth-largest recipient in the Third World of Soviet economic assistance. Since the invasion of Afghanistan, Moscow has used this aid to try to influence the Pakistani Government's policy on Afghanistan. [REDACTED]

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[REDACTED] The Soviets have longstanding ties to opposition elements in Pakistan, [REDACTED]

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[REDACTED] Soviet assets in the opposition movement, however, have only marginal influence. [REDACTED]

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EAST GERMANY-WEST GERMANY: Dispute Over Alleged Loan

The East Germans may have been behind the story that appeared in the West German magazine Der Spiegel early this week alleging US interference in relations between East Germany and West Germany.

[redacted]

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Der Spiegel—which frequently has been critical of the West German Government—quoted sources close to East German leader Honecker saying that the US Ambassador in Bonn had persuaded Chancellor Kohl not to guarantee a second loan of \$376 million to East Germany. Bonn immediately denied the story, saying it is not negotiating a new loan. It also restated Kohl's opposition to new credits until East Germany makes more concessions in response to the first loan last June. [redacted]

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A West German official recently told US officials, however, that the East Germans are in fact negotiating a second loan through Bavarian Minister-President Franz Josef Strauss. [redacted]

[redacted]

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Comment: The magazine's story has brought to the surface latent sensitivity in West Germany to the US role in inter-German relations. It is unlikely to have much effect on Kohl's determination to reject another loan, however, or to undermine his standing before the Bundestag debates on INF. [redacted]

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MEXICO: Local Elections

The government, in campaigning for some 1,000 municipal elections concluding in the next two weeks, has reversed early unfavorable trends, apparently in part by vote fraud, but it probably will have to deal with election-related violence in the coming weeks.

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After losing several important local elections early this year, the ruling Institutional Revolutionary Party has been defeated in only one municipal race since July. The party has retained control of several towns where early indicators suggested it would be defeated. The government is using presidential trips, generous federal programs, and well-financed publicity campaigns to turn back the opposition's exploitation of economic problems.

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Opposition leaders, however, claim that in several cities the ruling party has rigged the vote to obtain victories. This week, for example, election officials overturned an apparent victory by the opposition National Action Party in Mazatlan, Sinaloa, after counting votes from 11 previously missing ballot boxes.

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Political columnists anticipate strong challenges from the opposition in elections to be held in the next two weeks in the southern state of Oaxaca and in the northern state of Tamaulipas. In Juchitan, Oaxaca, tensions remain high between supporters of the government and those of a recently deposed leftist coalition that has seized the city hall.

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Comment: Rioting is possible in Mazatlan, although National Action leaders are calling for calm there. Election violence in Oaxaca probably will be contained because of government security preparations. The widespread belief that the government has resorted to fraud will damage the credibility of President de la Madrid, who has promised to honor the voters' decisions and to open the political system.

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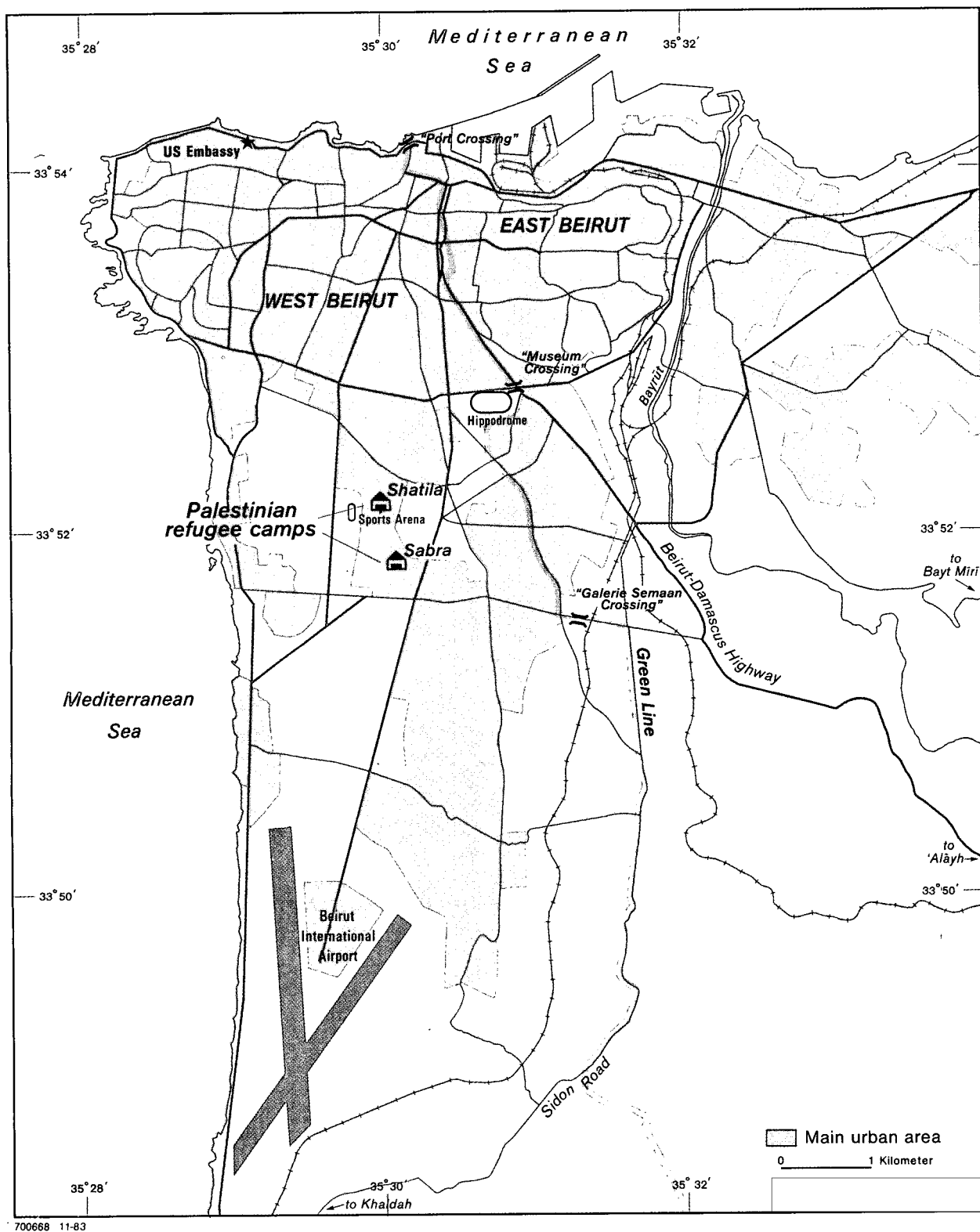
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LEBANON: Possible Move Against Palestinians

A confidant of Lebanese Army Commander Tannous has told the US defense attache that the Army may soon conduct an operation to clear the Sabra and Shatila Palestinian refugee camps in West Beirut of armed militiamen.

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Comment: The Lebanese Government might also hope a move against the Palestinians would make both the Army and the government appear tougher again. Tannous has been criticized for inaction and probably wants to strengthen his credentials. The government would have to gamble that the Shia Muslims of West and South Beirut would not feel threatened by the operation and would not start a major uprising. In view of the growing fears among Beirut's Shias that they will be targeted for reprisals by the Multinational Force and of the increasing tensions in West Beirut, any move by the Army could provoke widespread violence.

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USSR-CYPRUS: Soviet Reaction

The USSR has so far avoided taking an official stand on the Turkish Cypriots' unilateral declaration of independence, although Soviet media are urging reconsideration of the move. In separate meetings on Wednesday with the Greek Cypriot and Turkish Ambassadors in Moscow, senior Foreign Ministry officials reaffirmed Moscow's support for a unified and independent Cyprus but did not specifically condemn the declaration.

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Comment: The Soviets usually avoid getting out in front of international reaction to developments on Cyprus, primarily in order not to antagonize Turkey or Greece. World reaction to the unilateral declaration has been so overwhelmingly negative, however, that Moscow probably now feels safe in siding more openly with the Greek Cypriots.

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NETHERLANDS: Maneuvering on INF

The parliament on Thursday defeated various anti-INF motions, but Prime Minister Lubbers agreed to consider urging the Allies to delay deployments if Moscow makes some concessions. The Christian Democratic-Liberal coalition maintained substantial unity in the face of opposition motions designed to block INF in the Netherlands and to express Dutch opposition to initial deployments in the UK and West Germany. Lubbers did agree to consider "suggestions" from his Christian Democrats that the government call on NATO to accept a six-month "pause" in deployment. Moscow would have to dismantle an unspecified number of SS-20s or drop demands that British and French nuclear forces be included in INF negotiations. [REDACTED]

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Comment: Lubbers was anxious to maintain Christian Democratic unity in the debate, and the "suggestions" were designed to appease the party's left wing. In the past, the Dutch have noted parliamentary comments to the Allies and then quietly dropped them. Lubbers has shown sympathy for postponing deployments, however, and is anxious for an agreement that precludes the need for INF basing in the Netherlands. A credible offer by the USSR or a Soviet walkout at Geneva might induce him to take the "suggestions" seriously, especially once some missiles are in place in the UK and West Germany. [REDACTED]

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UK-EASTERN EUROPE: Diplomatic Activity

Prime Minister Thatcher will use her trip to Hungary, which is tentatively set for January, to show that she wants to maintain a constructive dialogue with East European states despite the beginning of INF deployments. Thatcher has said that she is working to reduce East-West tensions and would be willing to meet with Soviet leaders under the right circumstances. The US Embassy reports that ministerial contacts between London and Eastern Europe have been increasing in recent months, and it suggests that Thatcher may later visit other East European capitals. [REDACTED]

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Comment: Thatcher presumably wants to show the voters that, despite her reputation as a hardline anti-Communist, she remains willing to negotiate. She probably believes that it is unwise to leave all high-level contact with the Warsaw Pact countries to other Western leaders. The UK generally tries to encourage more independence from the USSR among the East Europeans by maintaining amicable political and economic relations with them even during periods of tension with Moscow. [REDACTED]

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JAPAN: Boycott of Diet Ends

The end of the opposition boycott of the Diet yesterday will not resolve the controversy over former Prime Minister Tanaka. All opposition parties returned after the New Liberal Club first broke their solid front on Thursday to join the ruling Liberal Democratic Party in passing several key bills. The Upper House will consider these bills, which include tax cuts and a revised election law, before the Diet adjourns on 28 November.

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Comment: The truce may hold through next Friday, when visiting Chinese party leader Hu Yaobang is scheduled to address the Diet. Before the session ends, however, the opposition parties are likely to try to introduce a resolution calling for the resignation of Tanaka, whose conviction for bribery on 12 October brought on the boycott. They probably hope to focus attention on political ethics during the anticipated election campaign and to prevent Prime Minister Nakasone from capitalizing on his popular reform legislation and recent visits by foreign leaders. Although Nakasone has yet to commit himself to elections, they are increasingly possible as early as 18 December.

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Special Analysis

CUBA: Implications of the Defeat in Grenada

The loss of Grenada—Cuba's only ally in the Caribbean—is President Castro's worst foreign policy reversal since 1973, when Chilean President Allende was overthrown. The setback comes at a time of serious economic and political problems in Cuba and growing concerns about the prospects of the regime in Nicaragua and of the Salvadoran revolutionaries. Castro probably will respond to the defeat in Grenada by tightening regimentation at home and by helping the Sandinistas consolidate their rule. Havana is unlikely to withdraw its support for revolutionary groups in El Salvador or elsewhere in Latin America. To ensure against another defeat in the region, however, Cuba probably will reexamine its degree of control over such groups' activities—and emphasize unity to them. [redacted]

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The fall of the pro-Cuban government in Grenada is a serious blow to one of Havana's most important ideological tenets—that a revolutionary regime, once established, is irreversible. It also deprives Havana of its main base for penetration in the eastern Caribbean, and, as a byproduct, has seriously damaged its relations and influence with Suriname. In addition, the US action in Grenada probably dispelled—at least temporarily—any illusions by Castro that Cuba could carry out subversion or military intervention in Central America with impunity. [redacted]

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Domestic Concerns

The wording of Cuban official statements during the fighting in Grenada and Castro's speech on 14 November indicate that Havana was worried about popular reaction to Cuban casualties. Castro probably feared that many Cubans would regard his order to resist the US operation as a meaningless sacrifice of Cuban lives. Castro also apparently feared that a surrender would tarnish his image as the world's foremost revolutionary leader, undermine his authority, and have disastrous effects on Cuban morale. [redacted]

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The regime later began trying to use the US operation and the Cuban losses to instill more patriotic fervor among the largely apathetic Cuban people. Castro has portrayed the casualties as martyrs and the US move as proof of his recent warnings about possible US military action against Cuba. [redacted]

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The Cuban leader appears genuinely apprehensive that the US may take further action, and he probably will continue to raise the possibility. He is likely to increase the size of the militia, impose additional austerity measures, and crack down on dissidents. [REDACTED]

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Support for Revolutionaries

Castro is personally and ideologically committed to promoting revolution. The events in Grenada will not cause a retreat on such a fundamental issue, but they may affect the intensity of his efforts. [REDACTED]

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In the past Castro has reassessed and subsequently abandoned his support for revolutionary groups whose activities he could not control or whose incompetence posed risks to Cuba. He has blamed the failure in Grenada on errors by its revolutionary leaders. Now he probably will reexamine his ties to leftist groups he may consider weak and ideologically undisciplined, such as Jamaica's People's National Party, and avoid Cuban involvement with such extremist groups as Peru's Sendero Luminoso. [REDACTED]

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Castro will not give up efforts to penetrate and influence leftist groups, but he is likely to be more selective and cautious. He probably will limit political or financial support to those groups that are most receptive to Havana's direction. [REDACTED]

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In addition, Havana presumably will become more concerned about the need for unity among revolutionary forces and leaders in Central America. Poor coordination among Salvadoran and Guatemalan guerrilla groups has worried Havana, and the deaths earlier this year of two Salvadoran insurgent leaders as a result of internal disputes dismayed Cuban officials. [REDACTED]

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Havana also now appears more willing to use the flow of arms to El Salvador as leverage to promote increased unity and cooperation among the insurgents. [REDACTED]

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Policy Toward Nicaragua

Cuba's options in Nicaragua have been further reduced by the US operation in Grenada. The extent and form of Cuban support for the Sandinistas depend more than ever on Castro's perception of the likely US reaction. [REDACTED]

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The US action may have persuaded Castro that a sizable increase in the Cuban military presence in Nicaragua would be risky. He is likely to calculate that the US would welcome such a move as justification for using force against the Sandinistas. [REDACTED]

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Castro's recent remarks drawing a parallel between Cuba's inability to do more to defend Grenada and a similar situation in Nicaragua probably are intended to let the Sandinistas know that Havana could make only a token effort to protect them. During a press conference on 26 October, he underlined his concern about the Sandinista leadership by expressing the hope that the Grenadian "mistake" would be helpful in preventing greater "mistakes" in Nicaragua. [REDACTED]

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With the loss of Grenada, however, Nicaragua is Cuba's only remaining ally in the hemisphere. Consequently, Castro is likely to try to perform the difficult balancing act of improving Nicaragua's defenses to deter US intervention while not provoking a US response. [REDACTED]

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Castro probably will gradually provide the Sandinistas with more defensive weapons and with more military and civilian personnel. In the near future, however, he is unlikely to send MIG aircraft or large numbers of Cuban troops to Nicaragua. [REDACTED]

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The experience in Grenada also has probably reinforced Castro's belief that negotiations are necessary to forestall US intervention in Nicaragua and El Salvador. As a result, Cuba is likely to intensify its diplomatic and propaganda efforts to buy time and hold down the level of military action. [REDACTED]

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Operating Areas of Insurgent Groups

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Special Analysis

NICARAGUA: Insurgent Challenge Growing

Recent successes by Nicaraguan insurgent groups have been psychologically and economically costly to the regime in Managua. The Sandinistas—who have been further alarmed by events in Grenada—have responded by increasingly militarizing Nicaraguan society and by seeking more international support. Although the guerrilla attacks present the Sandinistas with their strongest challenge to date, the insurgents still lack enough strength and unity to pose a serious threat to the regime.

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Insurgents of the Nicaraguan Democratic Force are clashing with government troops in north-central Nicaragua almost daily, and they evidently are causing the Sandinistas increasing military difficulty. The guerrillas have attacked a number of small towns and facilities in this important coffee-growing area, causing concern in Managua about potential crop losses during the current harvest. There is no recent evidence of the supply problems that hampered the insurgents last spring.

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Miskito Indian guerrillas of the Misura organization appear to be operating throughout rural areas in the Atlantic coast region. The Sandinistas are digging in to defend the towns, and there are reports of frequent fighting on the outskirts of Puerto Cabezas, El Bluff, and Bluefields. The insurgents apparently have the sympathy and support of the local population, but the government is trying to remove villagers by force from areas of guerrilla activity.

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Meanwhile, insurgents from the Democratic Revolutionary Alliance led by Eden Pastora are moving freely in a strip along the Rio San Juan on the Costa Rican border. They also are operating farther up the coast north of Bluefields. Although they are able to harass Sandinista units in the area, they have not scored a major victory.

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Economic Losses

The guerrillas have focused on major energy targets in the last few months in an attempt to cut off fuel supplies. The most significant actions were in early October, when sabotage attacks on petroleum facilities at Corinto and Puerto Isabel destroyed some \$2 million worth of scarce fuel. The insurgents later attacked the oil terminal at Puerto Sandino, but repairs were made quickly.

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The Sandinistas claim that guerrilla action has caused \$100 million in economic damage this year, including production delays and lost profits. They allege that losses in October alone were more than \$20 million, primarily from the attack on Corinto. These claims are probably exaggerated, but they indicate Managua's concern about the weakening economy. []

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Insurgent Problems

The insurgents' lack of unity continues to be a major constraint on their effectiveness, and factional divisions in their organizations have caused additional problems. Pastora's erratic leadership and threats to resign have irritated his partners in the Alliance, and he remains opposed to cooperation with the Democratic Force. The recent creation of a broader leadership body in the Alliance apparently has settled the immediate differences with his partners, and the expanded leadership may make new efforts to establish ties with the other groups. []

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Each insurgent group evidently has the support of—or is at least tolerated by—the population in its area of operation. Nevertheless, none has attempted to test its popularity in urban areas by operating there. The Nicaraguan Democratic Force has put more emphasis on propaganda activities recently, but its reluctance to reject strongly the Somoza era or to give assurances that it would preserve the benefits of the revolution probably will limit its popular appeal. []

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The Sandinista Response

The Sandinistas, frustrated by their inability to prevent sabotage, have called for increased civil defense measures and popular vigilance, particularly in urban areas. Numerous battalions of the new territorial militia also have been organized in recent weeks to help guard government installations, bridges, and production facilities. []

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In addition, the government has extended the registration period for the conscription law, apparently because popular response to the recently enacted measure fell short of expectations. It also has begun calling up registrants a month earlier than planned. Moreover, the regime has increased attacks on its domestic opposition and the Catholic Church for criticizing conscription and failing to condemn the insurgent actions. []

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Meanwhile, Managua has increased its quest for international military and political support. Sandinista leaders have stated that they are seeking jet fighters, and an international solidarity organization based in Managua has called for foreign volunteers to fight in Nicaragua. The Sandinistas recently succeeded in obtaining a debate by the UN General Assembly on Central America, and, since the US action in Grenada, they have increased their claims that an invasion of Nicaragua is imminent. [redacted]

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Outlook

The insurgents probably are now strong enough to maintain footholds in north-central Nicaragua and in the Atlantic coast region. They may on occasion briefly seize a small town, and they are likely to attempt additional spectacular raids and acts of sabotage. Nevertheless, they are not strong enough to move into the more open and heavily populated areas of western Nicaragua. [redacted]

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If there is no further damage to petroleum import and storage facilities, the Sandinistas probably will cope with scarcities, sustain military operations, and provide essential services. They are clearly worried about the economy, however, and will need substantial aid from Communist and Western donors to prevent growing shortages of consumer goods and industrial raw materials. [redacted]

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